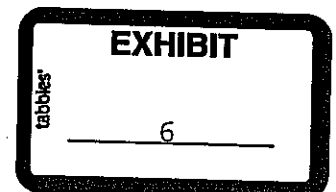


SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

In consideration of the payment of the sum of One Hundred Twenty Thousand Dollars and No/100 (\$120,000.00), the receipt of which is hereby acknowledged, the undersigned, Patricia D. Bachhofer (hereinafter referred to as "RELEASOR"), hereby releases, remises, acquits, and forever discharges G. Paul Kula, M.D. and all of his present and former agents, servants, employees, employers, insurers and indemnitors, including Sisters of Mercy Health System, St. Louis, Inc. (hereinafter referred to as "RELEASEES"), from each and every right, claim, debt, demand, action, cause of action, suit and proceeding of any kind, whether known or unknown, which RELEASOR ever had, now has or may have in the future against such persons and entities, which in any way arise from any care, conduct or act of G. Paul Kula, M.D., including but not limited to the claims which are the subject of the following action: *Patricia D. Bachhofer, Plaintiff, vs. G. Paul Kula, M.D., Defendant*, Case No. CIV-04-969-F, filed in the United States District Court for the Western District of Oklahoma.

As part of this settlement agreement, RELEASOR agrees to waive oral argument in the companion declaratory judgment action, Tenth Circuit Case No. 06-6167, and allow the Tenth Circuit to issue its ruling on the parties' briefs. RELEASOR further agrees to execute and file a stipulation of dismissal with prejudice of Case No. CIV-04-969-F within 10 days after a final judgment has been entered in Tenth Circuit Case No. 06-6167. It is understood that regardless of the final outcome in the Tenth Circuit Case No. 06-6167, RELEASOR will not be entitled to any more or less money than paid herein.

As part of the settlement agreement, it is further understood and expressly agreed that the terms of this settlement, including the amount of money paid herein, are to remain confidential and are not to be discussed, disclosed or disseminated to any person or entity



by me, my attorneys or other representatives or family members except as may be necessary to complete this settlement agreement.

As a part of the consideration paid, RELEASOR and her attorney, Charles J. Watts, covenant with RELEASEES to indemnity and save RELEASEES harmless from any medical expenses, medical liens or attorney liens that in any way arise from the allegations in Case No. CIV-04-969-F. RELEASOR understands that it is her responsibility to pay any and all medical and attorney fee liens from the proceeds of this settlement.

It is understood that the acceptance of the consideration set forth herein is in full accord and satisfaction of disputed claims and that the payment of money herein is not to be construed as an admission of liability by G. Paul Kula, M.D., who denies the claims against him.

RELEASOR further declares and represents that in entering into this settlement agreement and release, RELEASOR is relying upon her own judgment, belief and knowledge and that no representations or statements made by any of the RELEASEES or their attorneys have influenced the undersigned in entering into this settlement agreement and release.

This settlement agreement and release contains the entire agreement between the parties hereto, and the terms of this agreement are contractual and not a mere recital.

The undersigned has read this settlement agreement, fully understands it and is entering into this agreement of her own free will, without any coercion or duress.

AGREED and executed this 6th day of February, 2007.

Patricia D. Bachhofer
PATRICIA D. BACHHOFER

CONFIDENTIAL

STATE OF OKLAHOMA }
COUNTY OF Oklahoma } ss:

On this 6TH day of February 2007, personally appeared before me, PATRICIA D. BACHHOFER, known to me to be the person described herein, and who executed the foregoing instrument and acknowledged that she voluntarily executed the same.

Cecelia Chesnut
Notary Public

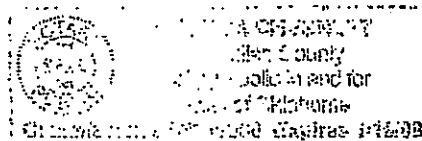
My Commission Expires:

Jan. 16, 2008
[seal]

My Commission Number:

99019906

~~Signature~~ Approved:



Charles J. Watts

CHARLES J. WATTS OBA No. 9403.
1001 N.W. 63rd Street - Suite 101
Oklahoma City, Oklahoma 73116
405/842-5022; 405/842-4993 (FAX)

ATTORNEY FOR PLAINTIFF,
PATRICIA D. BACHHOFER

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